

2016 Michigan Qualified Energy Conservation Bond (QECB) Allocation Application

Frequently Asked Questions – 04/05-18/2016

Q-1. When the Michigan Agency for Energy (MAE) website refers to the 2016 Application for QECB allocations is that a different form and process from the posted Request for Project Interest (RFI)?

A-1. The recently posted 2016 Michigan QECB Allocation Request for Applications (RFA) is the official process for awarding new State allocations; and the due date for MAE to receive completed applications is 5/16/16. The Request for Project Interest (RFI), posted in late 2015, identified areas of interest and preliminary project data for state planning purposes. Those that responded to the RFI must submit a completed 2016 Michigan QECB Allocation Application to be considered for an allocation.

Q-2. Are State universities eligible to apply or just the local municipalities?

A-2. Public and private entities with a qualifying project and an eligible QECB issuer may apply. See Application, Part II. Section A. for definitions of eligible QECB issuers and projects under federal regulations.

Q-3. Are private businesses eligible to apply for the State of Michigan's 2016 QECB allocation? Can you provide examples of businesses that have used QECB financing to implement an energy project?

A-3. Yes, provided that they have an eligible public issuer of the QECBs. A recent report by the Energy Programs Consortium (EPC), October 2015, provides case studies on pp. 8 -14; and, it is posted on the MAE website/QECBs page link [here](#). Interested businesses may contact the Michigan Economic Development Corporation. Diane Cranmer (cranmerd@michigan.org or 517-373-2778) is the MEDC's point of contact to discuss private activity bonds.

Q-4. Can you explain how some of the federal regulations pertaining to QECBs, such as the American Reinvestment and Recovery Act IRS 54(d), apply to a proposed solar project?

A-4. No, the State of Michigan cannot interpret these federal regulations, but bond counsel and/or a financial consultant with QECB experience can assist by providing an expert opinion. The EPC provides a list of firms with this experience in the Appendices of their December, 2014 report on QECBs.

Q-5. Do the attachments referenced in Part III. B. count toward the maximum 10-page response in Part III. A (i.e., Attachment 1, three Plan of Finance documents, and the Application Certification)?

A-5. No, the five documents referenced are attachments and do not count toward the 10-page maximum length of an applicant's narrative response. Place completed attachments at the end of the narrative in the order that they appear in the QECB Application Part III. B.

Q-6. Are Charter Schools with a 501(3) (c) designation eligible to apply for the State's 2016 QECB allocation? Can they issue QECBs?

A-6. Refer to A-2 above, which also responds to this question.

Q-7. What project activities are eligible for a QECB allocation?

A-7. Eligible projects are listed in the 2016 QECB Application Part II. A. (a. - e.). (See A-3 above for a page link). For more details, please consult with a QECB-experienced bond counsel or financial consultant.

Q-8. Are there restrictions on population size for local governments to apply for a 2016 QECB allocation from the State of Michigan?

A-8. No.